GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5200
ANSWERED ON:20.04.2001
CONSUMPTION OF CEMENT
CHANDRA NATH SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Cement Manufacturers Association of India has projected a negative growth rate of 1.5 per cent in cement consumption during 2000-2001;

(b) if so, the details thereof and the reasons therefor;

(c) the factors responsible for affecting the cement industry; and

(d) the steps taken by the Government to improve the performance in the said sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a)&(b): Cement consumption has fallen to 90.17 million tonnes in 2000-01 as compared to 92.05 million tonnes in 1999-2000. This has resulted in a negative growth of 2.04%.

(c): The shortfall has been on account of

(i) Sluggish demand in the market; and

(ii) drought conditions in different parts of the country.

(d): To encourage growth in infrastructure areas and housing, which would boost cement demand, the Government had already instituted several incentives like 10 years tax holiday on investment in infrastructure areas; and tax concession for housing loans and others.

Government is also providing infrastructural support to cement industry to maximise cement production. Rail wagons are provided to cement plants on priority basis to supply cement to deficit areas.